

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
CORPUS CHRISTI DIVISION**

<b>IN RE:</b>	§	<b>JOINTLY ADMINISTERED</b>
	§	
<b>SCOTIA DEVELOPMENT LLC, ET AL.,</b>	§	<b>Case No. 07-20027-C-11</b>
	§	
<b>Debtors.</b>	§	<b>Chapter 11</b>

THIS PLEADING APPLIES ONLY TO <b>SCOTIA PACIFIC COMPANY LLC, CASE NO. 07-20032</b>
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**NOTICE OF APPEAL**  
**[Related Docket No. 595]**

Please take notice that The Ad Hoc Group of Timber Noteholders (the member of which hold or manage, as of the date hereof, more than 95% in principal aggregate amount outstanding of the Timber Notes, the “**Noteholder Group**”)<sup>1</sup> in the above-captioned chapter 11 case, hereby appeals the *Findings of Fact and Conclusions of Law and Final Order* [Docket No. 595] (the “**Final Order**”) entered by Richard S. Schmidt of the United States Bankruptcy Court for the Southern District of Texas (Corpus Christi Division) on April 5, 2007.<sup>2</sup> (A copy of the Final

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<sup>1</sup> The current members of the Noteholder Group include: Angelo, Gordon & Co. L.P., on behalf of certain managed accounts and funds; Avenue Investments, L.P.; Avenue International, Ltd.; Avenue Special Situations Fund III, L.P.; Avenue-CDP Global Opportunities Fund, L.P. US; Avenue Special Situations Fund IV, L.P.; Banc of America Securities, Inc.; Camulos Master Fund LP; CarVal Investors LLC; Citigroup Global Markets Inc.; CSG Investments, Inc.; Davidson Kempner Capital Management LLC, on behalf of certain affiliated investment funds; Deutsche Bank Securities Inc.; D. E. Shaw Laminar Portfolios, L.L.C.; ECO Master Fund Ltd.; ECR Master Fund Ltd.; Gruss & Co.; funds managed by GSO Capital Partners LP; HBK Capital Management; Intermarket Corp.; J.P. Morgan Securities Inc.; KeyBanc Capital Markets; Lehman Brothers Inc.; Murray Capital Management (on behalf of certain managed accounts and funds); Northeast Investors Trust; Par IV Capital; Phoenix Investment Partners; Plainfield Special Situations Master Fund Limited; QDRF Master Ltd; QVT Financial LP; RockView Capital; TCW Credit Mortgage and Watershed Asset Management, L.L.C. The members of the Noteholder Group each act in their own individual interests, and neither the individual members nor the Group as a whole purport to act on behalf of or to represent any other holder of Timber Notes.

<sup>2</sup> Shortly after filing this *Notice of Appeal*, the Noteholder Group will file a *Request for Certification Under 28 U.S.C. § 158(d)(2) and Bankruptcy Rule 8001(f)* (the “**Certification Motion**”) with this Court seeking an immediate certification of this appeal to the Fifth Circuit Court of Appeals.

Order is attached to this *Notice of Appeal* as Exhibit A.) The Final Order is hereby appealed pursuant to the provisions of 28 U.S.C. § 158 and Federal Bankruptcy Rules 8001 *et seq.*

Dated: April 9, 2007

GARDERE WYNNE SEWELL LLP

By: /s/ John P. Melko  
John P. Melko (13919600)  
1000 Louisiana, Suite 3400  
Houston, TX 77002-5007  
Telephone: (713) 276-5727  
Facsimile: (713) 276-6727

and

BRACEWELL & GIULIANI LLP

Evan D. Flaschen (304232)  
Gregory W. Nye (300188)  
Kurt A. Mayr (425858)  
One Goodwin Square  
225 Asylum Street, 26<sup>th</sup> Floor  
Hartford, CT 06103  
Telephone: (860) 947-9000  
Facsimile: (860) 760-6789  
E-Mail: evan.flaschen@bgllp.com

*Attorneys for the Ad Hoc Group of  
Timber Noteholders*

CERTIFICATE OF SERVICE

I hereby certify that on the 9<sup>th</sup> day of April, 2007 a true and correct copy of the foregoing instrument was forwarded to all parties listed on the attached Service list

/s/ John P. Melko  
John P. Melko